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DOE Announces Plans for Future Loan Guarantee Solicitations

WASHINGTON, DC – The U.S. Department of Energy (DOE) today announced plans to issue loan guarantee solicitations in two stages this summer for up to \$38.5 billion for projects that employ advanced technologies that avoid, reduce or sequester emissions of air pollutants and greenhouse gases. This will mark the second and third rounds of solicitations for DOE's Loan Guarantee program, which encourages the development of new energy technologies and is an important step in paving the way for clean energy projects.

In a Fiscal Year (FY) 2008 loan guarantee implementation plan sent to Congress, DOE outlined plans to issue its second round of solicitations concurrently no later than June 2008 for efficiency, renewable energy and electric transmission projects (up to \$10 billion); nuclear power facilities (up to \$18.5 billion); and nuclear facilities for the "front-end" of the nuclear fuel cycle, including uranium enrichment (up to \$2 billion). Later this summer, DOE intends to issue a third solicitation for loan guarantee applicants for advanced fossil energy projects (up to \$8 billion).

"DOE's Loan Guarantee program aims to accelerate the commercialization of innovative, environmentally-friendly technologies that will have a real impact on ensuring clean, affordable and reliable supplies of energy," David Frantz, Director of DOE's Loan Guarantee Office, said. "We intend to move forward quickly and deliberately to issue solicitations, conduct a thorough financial and technical review and support these truly innovative technologies that hold great promise for our nation's energy security."

Prior to the issuance of the upcoming \$10 billion solicitation for projects in the efficiency, renewable energy and electric transmission areas, the Department intends to issue a Request for Information to solicit input from stakeholders concerning areas of particular technology focus and interest in these areas. These technologies could include renewable energy and energy efficient technologies, including advanced transmission and distribution technologies, hydrogen and fuel cell technologies, energy efficient building technologies and applications, battery development, alternative vehicle technologies, and ocean wave/tidal, solar, wind, geothermal and biomass technology development.

Selection criteria for the clean energy projects under these solicitations will focus on the avoidance of emissions of greenhouse gas emissions and other air pollutants; the speed at which technologies can be commercialized; cost-saving potential for consumers; the prospect of repayment; and the potential for long-lasting success of these technologies in the marketplace.

Today's announcement meets the statutory requirement in the Consolidated Appropriations Act of 2008 to submit a loan guarantee implementation plan 45 days prior to the execution of a new loan guarantee solicitation.

Following funding and authorization for the program in February 2007, DOE has made significant progress, including conducting a thorough review of 143 pre-applications received pursuant to DOE's first solicitation in August 2006 and inviting sponsors of 16 projects to submit full applications. These 16 projects include seven biomass projects, three advanced fossil energy projects, two industrial energy efficiency projects, two solar

energy projects, one electricity delivery and energy reliability project, one hydrogen project, and one alternative fuel vehicles project.

Last year, DOE also issued final implementing regulations for the Loan Guarantee program; established a Credit Review Board to make recommendations to the Secretary of Energy on loan guarantees; named an office director and technical and financial experts to work in the Loan Guarantee program office; and developed guidelines for the financial and technical review of loan guarantee applications.

DOE's Loan Guarantee program, authorized by Title XVII of the Energy Policy Act of 2005 (EPAct), aims to encourage early commercial use of new or significantly improved technologies in energy projects. Loan guarantees issued by DOE, and backed by the full faith and credit of the United States government, will encourage the development of projects that employ new technologies that avoid, reduce, or sequester air pollutants and greenhouse gases. Projects supported by loan guarantees will help fulfill President Bush's goal of reducing our reliance on imported sources of energy by diversifying our nation's energy mix and increasing energy efficiency.

For more information on the Department's Loan Guarantee Program, visit www.lgprogram.energy.gov.

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